

# **KENTUCKY DEPARTMENT OF EDUCATION**

## **STAFF NOTE**

### **Review Item:**

Identification of District Watch List (List of districts to be provided at the August meeting)

### **Applicable Statute(s) or Regulation(s):**

KRS 160.470 and 160.550

### **History/Background:**

***Existing Policy.*** As a part of the Office of District Support Services' Management Improvement Program, districts are expected to end the fiscal year with a general fund balance of no less than 2%. Districts with less than 2% are put on what has commonly been referred to as the "watch list." The watch list is not intended to be punitive, but rather is meant to ensure the district receives additional support from the Kentucky Department of Education (KDE) sufficient to return the district to a financially stable condition. Division of District Operations staff work with the superintendent and finance officer of the district to determine if the staffing patterns are sound and affordable and to help identify areas where either expenditures could be reduced or revenues increased. The watch list will be provided at the board meeting based on the Annual Financial Reports that are due to KDE July 25<sup>th</sup>. The list will be revised based on the independent audits that are due to KDE on October 31<sup>st</sup>.

### **Contact Person:**

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**Deputy Commissioner**

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**Interim Commissioner of Education**

### **Date:**

August 2007